



INVEST CAPITAL INVESTMENT BANK LIMITED

**HALF YEARLY  
REPORT  
DECEMBER** | **2023**

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## Company Information

### Board of Directors

Mrs. Ayesha Shehryar	-Chairperson
Mr. Muhammad Asif	-Chief Executive
Mr. Muhammad Qasim	-Executive Director
Mrs. Fiza Zahid	-Director
Mr. Shahab Ud Din Khan	-Director
Mr. Zahir Qamar	-Director
Mr. Abdul Shakoor	-Director

### Audit Committee

Mr. Zahir Qamar	-Chairman
Mrs. Fiza Zahid	-Member
Mr. Abdul Shakoor	-Member

### Human Resource Committee

Mr. Muhammad Qasim	-Chairman
Mr. Muhammad Asif	-Member
Mr. Zahir Qamar	-Member

### Company Secretary

Mr. M. Naim Ashraf

### Auditors

RSM Avasi Hyder Liaquat Nauman  
Chartered Accountants

### Legal Advisors

Ahmad & Qazi

### Share Registrar

Corptec Associates (Private) Limited  
503-E, Johar Town, Lahore.  
Tel: 042-35170336-7  
Fax: 042-35170338  
E-mail: [mimran.csbm@gmail.com](mailto:mimran.csbm@gmail.com)

### Bankers

Habib Metropolitan Bank Limited  
Meezan Bank Limited  
JS Bank Limited

### Registered Office

Flat No. 2, First Floor, Plot No. 38-C,  
22<sup>nd</sup> Commercial Street, Phase II Ext.  
DHA, Karachi.  
Telephone: 021-358940022  
Website: [www.icibl.com](http://www.icibl.com)

### Head Office

131-A, Zahidjee House,  
Scotch Corner, Upper Mall,  
Lahore.  
Tel: 042-35777285-86

### National Tax Number

0656427-5

# Directors' Report

On behalf of the Board of Directors of Invest Capital Investment Bank Limited ("the Company"), we are pleased to present to the members, the un-audited financial statements for the half year ending December 31, 2023.

## The Review

The Company had earned a net profit of Rupees 59.73 million during the six months ending 31st December 2023 as compared to the profit of Rupees 37.79 million in the corresponding period of the last year. The earnings per share came to Rupees 0.21 as against Rupees 0.13 for the period ending 31st December 2022. The profit increased by Rupees 21.94 million as compared to the corresponding period of last year mainly due to handsome increase in return on equity investments. The gross revenue including other income for the period stood at Rupees 87.59 million as compared to Rupees 54.21 million of the corresponding period of the last year. There were no financial charges during the period against Rupees 8.81 million of the comparable period of last year. The financial charges reduced to NIL due to payment of all markup based borrowings. The administrative and operating expenses also increased due to inflation by Rupees 2.55 million and clocked at Rupees 18.82 million as against Rupees 16.27 million of the corresponding period of the last year.

The total assets of the Company showed an increase of Rupees 87.41 million over the past six months and stood at Rupees 1,175.70 million as at 31st December 2023 as compared to Rupees 1,088.29 million as at June 30, 2023, whereas total liabilities other than equity were Rupees 545.19 million as at 31st December 2023 showing a rise of Rupees 13.43 million as compared to the Rupees 531.76 million as at June 30, 2023.

A comparison of the current and previous period profit and loss figures is summarized hereunder:

-----Rs. in million-----		
	December 31, 2023	December 31, 2022
Gross Revenue	85.12	50.40
Other Income	2.47	3.81
Administration & Operating expenses	(18.82)	(16.27)
Financial charges (net of reversals)	(0.00)	(8.81)
Provision reversed / (charged)	1.17	7.73
Profit / (loss) for the period before taxation	69.94	36.86
Taxation - net	10.21	0.93
Profit / (loss) for the period after taxation	59.73	37.79
Earnings per Share	0.21	0.13

As per the plan, the management continued focus on resolution of the outstanding issues to keep the company functional. Following key areas were focused during the period as well:

- Settlement/rescheduling of loans with lenders (completed)
- Disposal / transfer of brokerage related assets and liabilities (completed)
- Recovery of non-performing leases and loans portfolio
- Substantial reduction in administrative and other expenses
- New leasing and financing business

The focus on the above mentioned areas has enabled the company to overcome the financial and operational problems and improved the financial position of the Company. Considering management's plans and the results of the mitigating measures taken, the management is confident that the Company will continue as a going concern.

## Acknowledgments

We are, once again, very thankful to the Securities and Exchange Commission of Pakistan for their guidance, the customers for their support, the lenders for their cooperation, and shareholders for their confidence and trust in the management of the Company. We are also thankful to all the staff members for their hard work and commitment to the betterment of the Company.

For and on behalf of the Board



**Muhammad Asif**  
Chief Executive Officer

Lahore  
February 26, 2024



**Ayesha Shehryar**  
Chairperson

## ڈائریکٹرز کا جائزہ

ہم، 31 دسمبر 2023 کو ختم ہونے والی سششہای پر انویسٹ کیسٹیل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی حساب سے غیر آڈٹ شدہ مالیاتی گوشوارے ممبران کو پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### جائزہ

کمپنی نے 31 دسمبر 2023 کو ختم ہونے والے چھ مہینوں کے دوران 59.73 ملین روپے کا حلال منافع حاصل کیا جبکہ گزشتہ سال کی اسی مدت میں 37.79 ملین روپے کا منافع ہوا تھا۔ 31 دسمبر 2022 کو ختم ہونے والی مدت کے لیے 0.13 روپے کے معتابلے میں فی حصص آمدنی 0.21 روپے ہو گئی۔ گزشتہ سال کی اسی مدت کے معتابلے میں منافع میں 21.94 ملین روپے کا اضافہ ہوا ہے جس کی بنیادی وجہ ایکویٹی سرمایہ کاری پر منافع میں شاندار اضافہ ہے۔ مجموعی آمدنی بشمول دیگر آمدنی گزشتہ سال کی اسی مدت کے 54.21 ملین روپے کے معتابلے میں 87.59 ملین روپے رہی۔ گزشتہ سال کے 8.81 ملین روپے کے معتابلے میں اس مدت کے دوران کوئی مالی حیاہز نہیں تھے۔ تمام مارک اپ پر مسخنی مضر ضوں کی ادائیگی کی وجہ سے مالیاتی حیاہز ختم ہو گئے۔ انتظامی اور آپریٹنگ اخراجات میں بھی 2.55 ملین روپے کا مضر اطاز کی وجہ سے اضافہ ہوا اور گزشتہ سال کی اسی مدت کے 16.27 ملین روپے کے معتابلے میں 18.82 ملین روپے رہے۔

کمپنی کے کل اثاثہ حیاہت 31 دسمبر 2023 کو 87.41 ملین روپے کے اضافے کے بعد 1,175.70 ملین روپے ہو گئے جبکہ 30 جون 2023 کو ان کی مالیت 1,088.29 ملین روپے تھی۔ اسی طرح کمپنی کی مالیاتی ذمہ داریاں 31 دسمبر 2023 کو 13.43 ملین روپے کے اضافے کے ساتھ 545.19 ملین روپے رہیں جبکہ 30 جون 2023 کو یہ رقم 531.76 ملین روپے تھی۔

کمپنی کے موجودہ اور گزشتہ نفع اور نقصان کا تقابلی جائزہ درج ذیل ہے:

----- روپے ملین میں -----

31 دسمبر		
2022	2023	
50.40	85.12	کل مالگڈ اری (Revenues)
3.81	2.47	دیگر آمدنی
(16.27)	(18.82)	انتظامی اور آپریٹنگ اخراجات
(8.81)	(0.00)	مالی اخراجات (حاصل)
7.73	1.17	پرویزن ریورسل / (حیاہز)
36.86	69.94	نفع/نقصان قبل از محصل
0.93	10.21	محصل - حاصل
37.79	59.73	نفع/نقصان بعد از محصل
0.13	0.21	آمدنی فی حصص

منصوبے کے مطابق، انتظامیہ نے اپنی توجہ کمپنی کے غیر حل شدہ معاملات کے حل پر رکھی تاکہ کمپنی کو عملی (functional) رکھے۔ کمپنی کی اس ششماہی میں مندرجہ ذیل اہم نکات پر بھی توجہ مرکوز رہی:

- متعرض خواہوں کے ساتھ مترضوں کا تصفیہ / ادائیگی کا نیا جدول (مکمل)۔
- علیحدہ ہونے والے بروکریج باؤس سے متعلق اثاثہ جات اور مالیاتی ذمہ داریوں کا تصفیہ یا منتقلی (مکمل)۔
- کارکردگی نا دکھانے والی لیزرز اور مترضوں کے پورٹ فولیو کی وصولیاتی
- انتظامی اور دیگر احراجات میں بڑی کمی
- لیزنگ کا نیا کاروبار

ان مذکورہ بالا معاملات پر توجہ دینے کی وجہ سے کمپنی کو مالیاتی اور آپریشنل مسائل پر متاثر ہونے میں مدد ملی اور اس کی وجہ سے کمپنی کی مالیاتی صورتحال میں بہتری آئے گی۔ کمپنی کے منصوبوں اور اس کے مسائل کو کم کرنے کے اقدامات کے نتائج کی بنیاد پر پر امید ہے کہ اس کا کاروبار جاری رہے گا۔

## اظہارِ شکر

ہم سیکوریٹی اینڈ اینٹی کپنچر کمیشن آف پاکستان کی رہنمائی، کاہلوں کی حسانت، متعرض خواہوں کے تعاون کا اور حصص یافتگان کے کمپنی کی انتظامیہ پر اعتماد اور بھروسہ کرنے پر ایک بار پھر شکر گزار ہیں۔ ہم تمام عملے کے ارکان کے کمپنی کی بہتری کے لیے کی جانے والی سخت محنت اور عزم کے بھی شکر گزار ہیں۔

مخائب و برائے بورڈ آف ڈائریکٹرز

عائش شہریار  
چیئر پرسن

محمد آصف  
چیف ایگزیکٹو آفیسر

لاہور

26 مئی 2024

# INDEPENDENT AUDITOR'S REVIEW REPORT

## To the members of Invest Capital Investment Bank Limited

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Invest Capital Investment Bank Limited ("the Company") as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2023.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

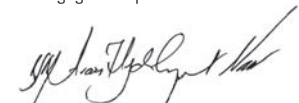
#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Material Uncertainty relating to Going Concern

We draw attention to Note 1.3 to the condensed interim financial statements, which indicates that the accumulated loss is Rs. 447.27 million (June 30, 2023: Rs. 509.39 million). This condition along with other matters as set forth in Note 1.3 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

The engagement partner on the audit resulting in this independent auditor's report is Syed Ali Adnan Tirmizey.



**RSM AVAIS HYDER, LIAQUAT NAUMAN**  
CHARTERED ACCOUNTANTS

**PLACE:** LAHORE

**DATED:** February 26, 2024

**UDIN:** RR202310193945XGZTt

# Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2023

	Note	Un-audited December 2023	Audited June 2023
		-----Rupees in thousand-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	72,664	75,172
Intangible assets	6	685	806
Investment accounted for using equity method	7	141,935	132,604
Financial assets at fair value through other comprehensive income		30,748	18,143
Net investment in finance lease	8	71,568	104,594
Long term musharakah finances	9	-	-
Long term loans	10	222,919	217,034
Long term security deposits		2,330	2,330
		<b>542,849</b>	<b>550,683</b>
<b>Current assets</b>			
Short term musharakah finances		28,028	28,028
Short term finances	11	214	51
Ijarah rentals receivables		1,241	1,241
Current portion of non-current assets	12	414,631	405,939
Advances, deposits, prepayments and other receivables		21,384	25,720
Investment in Treasury Bills	13	133,211	48,292
Financial assets at fair value through profit or loss	14	4,436	14,982
Bank balances		29,703	13,359
		<b>632,848</b>	<b>537,612</b>
<b>TOTAL ASSETS</b>		<b>1,175,697</b>	<b>1,088,295</b>

The annexed notes 1 to 20 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer



	Note	Un-audited December 2023	Audited June 2023
		-----Rupees in thousand-----	
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized capital</b>			
485,000,000 ordinary shares of Rs. 10 each		<u>4,850,000</u>	<u>4,850,000</u>
Issued, subscribed and paid-up capital		<b>2,848,669</b>	2,848,669
Loan from directors		<b>126,000</b>	126,000
Capital reserves			
Capital reserve on amalgamation		<b>(2,022,076)</b>	(2,022,076)
Revenue reserves			
General reserve		<b>102,976</b>	102,976
Accumulated loss		<b>(449,656)</b>	(509,391)
Fair value reserve		<b>24,600</b>	10,352
		<b>630,512</b>	556,530
<b>Non-current liabilities</b>			
Security deposits from clients		<b>141,357</b>	123,618
Redeemable capital	15	-	-
Liability related to outgoing group		<b>14,580</b>	16,200
		<b>155,937</b>	139,818
<b>Current liabilities</b>			
Current portion of non-current liabilities	16	<b>48,832</b>	46,507
Accrued and other liabilities		<b>136,788</b>	135,718
Profit / mark up payable		<b>187,364</b>	187,364
Unclaimed dividend		<b>6,053</b>	6,054
Provision for taxation - income tax		<b>10,211</b>	16,304
		<b>389,248</b>	391,947
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,175,697</u></b>	<b><u>1,088,295</u></b>
<b>CONTINGENCIES AND COMMITMENT</b>	17	-	-

The annexed notes 1 to 20 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Un-audited)

For the Half Year Ended December 31, 2023

	Half year ended December		Quarter ended December	
	2023	2022	2023	2022
	-----Rupees In thousand-----			
<b>Income</b>				
Income from leasing operations	11,693	19,012	4,550	9,868
Operating lease rentals	-	247	-	247
Profit on musharakah investments	1,595	1,300	1,583	-
Income from finances	34,294	26,631	18,085	13,140
Income on deposits with banks	1,633	1,965	986	1,008
Income from investment in treasury bills	5,375	-	1,277	-
Profit from joint venture	9,331	1,999	9,331	1,999
Dividend income	4,693	960	2,415	702
Net gain on sale of marketable securities	9,619	1,274	8,351	90
Capital Gain on sale of treasury bills	4,804	-	4,804	-
Unrealized gain / (loss) on financial assets at fair value - net	2,086	(2,988)	202	(1,617)
	85,123	50,400	51,585	25,437
<b>Expenses</b>				
Administrative and operating expenses	(18,816)	(16,266)	(9,841)	(8,290)
Financial charges	(2)	(8,806)	(1)	(4,275)
	(18,818)	(25,072)	(9,841)	(12,565)
	66,305	25,328	41,744	12,872
<b>Other income</b>	2,471	3,810	1,286	1,205
	68,776	29,138	43,030	14,077
<b>Provision reversed / (charged) on non-performing loans and write-offs</b>				
Reversal / (provision) against:				
Finance lease receivable and rentals - net	1,050	566	186	536
Long term / short term musharakah finances	118	291	118	(1)
Other receivables	-	6,874	-	6,874
	1,168	7,731	304	7,409
<b>Profit before taxation</b>	69,945	36,869	43,334	21,486
Provision for taxation				
-For the period	(10,210)	(5,909)	(8,710)	(4,909)
-Prior year	-	6,831	-	6,831
<b>Profit for the period</b>	59,735	37,791	34,624	23,408
<b>Earnings per share - Basic and Diluted</b>	0.210	0.133	0.122	0.082

The annexed notes 1 to 20 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Half Year Ended December 31, 2023

	Half year ended December 2023	2022	Quarter ended December 2023	2022
	-----Rupees In thousand-----			
Profit for the period	59,735	37,791	34,624	23,408
Other comprehensive profit / (loss)				
Items that will not be reclassified to profit or loss				
Changes in the fair value of equity investments at fair value through other comprehensive	14,248	(1,167)	13,488	537
Total comprehensive Income for the period	<u>73,983</u>	<u>36,624</u>	<u>48,112</u>	<u>23,945</u>

The annexed notes 1 to 20 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited)

For the Half Year Ended December 31, 2023

	Un-audited December 2023	Un-audited December 2022
	-----Rupees In thousand-----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	69,945	36,869
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	2,561	2,667
Amortization of intangible assets	121	94
(Reversal) against:		
Finance lease receivable and rentals - net	(1,050)	(566)
Long term / short term musharakah finances	(118)	(291)
Other receivables	-	(6,874)
(Gain) on disposal of operating assets	-	(1,096)
Unrealised (gain) / loss on financial assets at fair value	(2,086)	2,988
(Profit) from joint ventures	(9,331)	(1,999)
Dividend Income	(4,693)	(961)
Capital Gain on sale of treasury bills	(4,804)	-
Profit on treasury bills	(5,375)	-
Financial charges	2	8,806
	<u>(24,773)</u>	<u>2,768</u>
Cash flow from operating activities before working capital changes	45,172	39,637
Changes in working capital		
(Increase) / Decrease in current assets		
Short term musharakah finances	-	4,193
Short term finances	(163)	177
Ijarah rentals receivables	-	24
Advances, deposits, prepayments and other receivables	(762)	(10,285)
	<u>(925)</u>	<u>(5,891)</u>
Increase / (Decrease) in current liabilities		
Accrued and other liabilities	1,070	(3,057)
Cash generated from operations	45,317	30,689
Financial charges paid	(2)	(7,140)
Income tax paid	(11,206)	(15,909)
Net cash generated from operations	<u>34,109</u>	<u>7,640</u>

The annexed notes 1 to 20 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer

**b) CASH FLOWS FROM INVESTING ACTIVITIES**

(Additions) in:		
Property, plant and equipment	(53)	(46)
Intangible assets	-	(895)
Recovery of / (investment in) :		
Net investment in finance lease	35,908	42,568
Long term musharakah finances	1,607	59
Long term loans	3,665	(61,549)
Financial assets at fair value through profit or loss	12,633	(652)
Proceeds of Financial assets at fair value of equity investments	1,642	-
Investment in treasury bills - net	(74,740)	-
Proceeds from disposal of operating assets	-	1,200
Dividend Received	4,693	960
Net cash (used in) investing activities	(14,645)	(18,355)

**c) CASH FLOWS FROM FINANCING ACTIVITIES**

Receipts from / (Repayment of) :		
Long term loan from sponsors	-	(16,392)
Redeemable capital	(1,500)	(1,800)
Long term loan from directors	-	41,000
Liability related to outgoing group	(1,620)	(1,620)
Net cash (used in) / generated from financing activities	(3,120)	21,188
Net Increase in cash and cash equivalents (a+b+c)	16,344	10,473
Cash and cash equivalents at the beginning of the year	13,359	11,847
Cash and cash equivalents at the end of half year	29,703	22,320

The annexed notes 1 to 20 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer

# Condensed Interim Statement of Changes in Equity (Un-audited)

For the Half Year Ended December 31, 2023

	Issued, subscribed and paid-up capital	Loan from directors	Capital Reserves		Revenue Reserve		Fair value reserve	Total
			Capital reserve on amalgamation	General reserve	Accumulated loss			
-----Rupees in thousand-----								
<b>Balance as at July 01, 2022</b>	2,848,669	126,000	(2,022,076)	102,976	(599,151)	16,581	472,999	
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	37,791	-	37,791	
Other comprehensive (loss)								
Items that will not be reclassified subsequently to profit or loss								
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(1,167)	(1,167)	
	-	-	-	-	37,791	(1,167)	36,624	
<b>Balance as at December 31, 2022</b>	<b>2,848,669</b>	<b>126,000</b>	<b>(2,022,076)</b>	<b>102,976</b>	<b>(561,360)</b>	<b>15,414</b>	<b>509,623</b>	
<b>Profit for the half year ended June 30, 2023</b>								
Profit for the period	-	-	-	-	51,968	-	51,968	
Other comprehensive (loss)								
Items that will not be reclassified to profit or loss								
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(5,062)	(5,062)	
	-	-	-	-	51,968	(5,062)	46,906	
<b>Balance as at July 01, 2023</b>	<b>2,848,669</b>	<b>126,000</b>	<b>(2,022,076)</b>	<b>102,976</b>	<b>(509,391)</b>	<b>10,352</b>	<b>556,529</b>	
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	59,735	-	59,735	
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	14,248	14,248	
	-	-	-	-	59,735	14,248	73,983	
<b>Balance as at December 31, 2023</b>	<b>2,848,669</b>	<b>126,000</b>	<b>(2,022,076)</b>	<b>102,976</b>	<b>(449,656)</b>	<b>24,600</b>	<b>630,512</b>	

The annexed notes 1 to 20 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer

# Notes to the Condensed Interim Financial Statements (Un-audited)

For the Half Year Ended December 31, 2023

## 1. LEGAL STATUS AND OPERATIONS

- 1.1 Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 [Repealed with the enactment of the Companies Act, 2017 on May 30, 2017]. The Company is engaged in the business of leasing and investment finance activities as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP). The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Flat No. 2, First Floor, Plot No. 38-C, 22nd Commercial Street, Phase II Ext., DHA, Karachi in the province of Sindh. The branches of the company are located at Lahore, Peshawar and Gujranwala.
- 1.2 In 2009, the Company entered in a scheme of arrangement for the amalgamation by way of merger of Al-Zamin Leasing Corporation Limited (AZLCL) and Al-Zamin Leasing Modaraba (AZLM) with and into Invest Capital Investment Bank Limited. All the assets, liabilities and reserves of AZLCL and AZLM were vested with and assumed by the Company. The Honorable High Court of Sindh approved the amalgamation by way of merger through order dated December 08, 2009 effective from June 30, 2009 (close of business).
- 1.3 The Company suffered financial and operational difficulties from 2009 to 2011. These financial and operational difficulties resulted as under:
- the Company suffered huge operating loss till 2011 and as at the statement of financial position date, the accumulated loss is Rs.449.66 million (June 2023: Rs. 509.39 million).
  - the Company has been unable to comply with the terms of certain loan agreements as explained in detail in the relevant notes to the financial statements.
  - the Company has been facing difficulty in recovery of its leases and loans portfolio.

There has been material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

However, the management implemented its multi-facet plan which resulted in improvement in the financial and operational condition of the Company. The plan and efforts and their impact on the financial and operational conditions of the Company are discussed below:

### (a) Substantial reduction in administrative and other expenses

The management of the Company has curtailed its administrative and other operating expenses to minimum possible level over the years, without affecting the operational efficiency of the Company.

### (b) Leasing / financing business

The Company is mainly carrying out car leasing / financing business at attractive rates and reasonable deposit margin. During the half year leases and finances amounting to Rs. 106.24 million (June 2023 : Rs. 362.79 million) have been disbursed. Management is hopeful that leasing business will contribute in improving the operating results and equity position of the Company.

### (c) Settlement / rescheduling of loans / finances with lenders

The Management has settled all the outstanding loans with various banks / financial institutions through cash payment / transfer of the Company's lease / loan portfolios and immovable properties / shares / other assets with waiver of mark-up.

#### **(d) Disposal of non-core assets**

The management was committed to dispose off non core assets, during the year 2018 the management had disposed off all non-core assets. Disposal of non core assets has resulted in improvement in the liquidity position of the Company.

#### **(e) Improved recovery of leases and loans portfolio**

The Company has been putting all its efforts for recovery from leases and loans portfolio. Net recovery during the half year is Rs. 146.15 million (June 2023: Rs. 353.39 million). This amount has been utilized in the new leasing business, as well as, in meeting the obligations towards the remaining lenders.

The above mentioned plans / efforts have helped to overcome the financial and operational problems of the Company. Considering management's plans and the positive results of the mitigating actions as discussed in para (a) to (e) above, management is confident that the Company will continue as a going concern.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

**2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

- International Accounting Standard (IAS) 34 - 'Interim Financial reporting' issued by the International Accounting Standards board (IASB) as notified under the companies act, 2017; and
- Provisions of and directives issued under the Companies act, 2017, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the directives issued by the Securities and Exchange Commission of Pakistan (SECP).
- Wherever the requirements of the Companies Act, 2017, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IASs / IFRSs, requirements of the Companies Act, 2017, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

**2.1.2** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

**2.1.3** These condensed interim financial statements do not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2023.

### **2.2 Application of new and revised International Financial Reporting Standards (IFRSs)**

#### **2.2.1 Standards, amendments to standards and interpretations becoming effective in current period**

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

#### **2.2.2 New standards and amendments to approved accounting standards that are effective in future periods**

There are certain standards and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2023 but are



considered not to be relevant or expected to have any significant effect on the Company's financial reporting. The new standards, amendments to IFRIC interpretations that are relevant to the operations of the company are disclosed in the published audited financial statements for the year ended June 30, 2023.

### 2.3 Basis of measurement

These financial statements have been prepared under the 'historical cost convention' except:

- Investments at fair value through statement of profit or loss and Investments stated at fair value through other comprehensive income.
- Investment in joint venture at equity method.

### 2.4 Functional and presentation currency

These condensed interim financial statements have been prepared in Pakistani Rupee which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand of rupees except earning per share which is in rupees.

## 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2023.

## 4. Accounting estimates and judgments

- 4.1 The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2023.

- 4.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2023.

		<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
	Note	-----Rupees In thousand-----	
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating assets	5.1	<b>72,664</b>	75,172
<b>5.1 Operating assets</b>			
Book value at beginning of the period / year		<b>75,172</b>	63,344
Additions during the period / year		<b>53</b>	17,555
Disposals during the period / year		-	(104)
Depreciation charged during the period / year		<b>(2,561)</b>	(5,623)
		<b>72,664</b>	75,172

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----Rupees In thousand----	

## 6. INTANGIBLE ASSETS

Computer Software			
Cost		13,695	12,800
Addition		-	895
Accumulated amortisation		<u>(13,010)</u>	<u>(12,889)</u>
Written down value		<u>685</u>	<u>806</u>

### 6.1 Reconciliation of written down value :

Opening balance		806	164
Addition		-	895
Amortisation		<u>(121)</u>	<u>(252)</u>
Closing balance		<u>685</u>	<u>806</u>
Rate (%)		30%	30%

## 7. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

Investment in joint venture	7.1	<u>141,935</u>	<u>132,604</u>
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### 7.1 Investment in joint venture

This represents investment in a CNG filling station. Registered office of the Company is situated at G.T Road, Chughalpur, Peshawar. The latest available unaudited financial statements of joint venture as on December 31, 2023 have been used for the purpose of application of equity method.

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----Rupees In thousand----	

- Centre Gas (Private) Limited	7.1.1	141,935	132,604
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### 7.1.1 Centre Gas (Private) Limited

The movement in the Company's share of net assets of Centre Gas (Private) Limited (CGL) is as under:

Cost			
(2,500 Shares of Rs. 1,000/- each) Shareholding 50%		34,536	34,536
Cumulative share of profit of joint venture		<u>107,399</u>	<u>98,069</u>
		<u>141,935</u>	<u>132,604</u>

CGL's paid-up share capital is Rs. 5 million comprising of 5,000 ordinary shares of Rs. 1,000 each. The equity as at December 31, 2023 is Rs 247.69 million (June 2023: Rs. 229.02 million). Profit or loss is shared equally.

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----Rupees In thousand----	
<b>8. NET INVESTMENT IN FINANCE LEASE</b>			
Contracts accounted for as finance lease under IFRS 16	8.1	<b>245,828</b>	298,883
Less : Current portion	12	<b>(174,260)</b>	(194,290)
		<b>71,568</b>	<b>104,593</b>

**8.1 Net investment in finance lease**

Following is a statement of lease receivables accounted for under IFRS 16:

	Un-audited December 2023			Audited June 2023		
	Due within one year	Due after one year but within five years	Total	Due within one year	Due after one year but within five years	Total
	----- Rupees in thousand -----					
Minimum lease payments receivable	700,794	33,533	734,327	722,229	51,004	773,233
Residual value of leased assets	26,141	44,164	70,305	28,454	60,048	88,502
Lease contracts receivable	726,935	77,697	804,632	750,683	111,052	861,735
Unearned lease income	(12,895)	(4,814)	(17,709)	(14,353)	(6,459)	(20,812)
Income suspended	(129,486)	(107)	(129,593)	(129,488)	-	(129,488)
Provision for potential lease losses	(410,295)	(1,207)	(411,502)	(412,552)	-	(412,552)
	<b>(552,676)</b>	<b>(6,128)</b>	<b>(558,804)</b>	<b>(556,393)</b>	<b>(6,459)</b>	<b>(562,852)</b>
	<b>174,260</b>	<b>71,569</b>	<b>245,828</b>	<b>194,290</b>	<b>104,593</b>	<b>298,883</b>

**8.1.1** These finances carry profit rates ranging from 13.57% to 31.00 % per annum (June 2023 13.38% to 25.06% per annum). These agreements usually are for three to five years period and are generally secured against leased assets, personal / corporate guarantees and promissory notes given by the lessees and other collaterals.

**8.1.2** The above net investment in finance lease includes non-performing lease portfolio of Rs. 496.91 million (June 2023: Rs. 488.18 million). Detail of non performing leases is as follows:

	Un-audited December 2023			Audited June 2023		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
Category of classification	----- Rupees in thousand -----					
QAEM	4,095	-	-	-	-	-
Doubtful	5,829	-	-	-	-	-
Loss	486,983	411,501	411,501	488,181	412,552	412,552
	<b>496,907</b>	<b>411,501</b>	<b>411,501</b>	<b>488,181</b>	<b>412,552</b>	<b>412,552</b>

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----Rupees In thousand----	

**9. LONG TERM MUSHARAKAH FINANCES**

Secured

Considered doubtful

Companies (non-financial institutions)

Individuals

Provision against doubtful balances

Less: Current portion

12

<b>19,069</b>	20,558
<b>42,986</b>	43,104
<b>62,055</b>	63,662
<b>(11,858)</b>	(11,976)
<b>50,197</b>	51,686
<b>(50,197)</b>	(51,686)
-	-

**9.1** These represent investments under musharakah basis for working capital and project financing. These are secured against mortgage of properties, demand promissory notes and personal guarantee of their sponsor directors. Profit rates ranges from 16.00% to 30.00% per annum (June 2023: 16.00% to 30.00% per annum). These were receivable in monthly / quarterly / semi-annual installments and in lump sum on maturity.

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees In thousand-----	
<b>10. LONG TERM LOANS</b>			
Secured			
Considered good			
Customers	10.1	6,365	8,340
Vehicle Finance	10.2	371,450	328,748
Considered doubtful			
Customers	10.1	38,711	43,342
Outgoing group	10.3	71,955	71,955
Ex-employee		528	528
		111,194	115,825
Provision against doubtful balances		(75,916)	(75,916)
		35,278	39,909
		413,093	376,996
Less: Current portion	12	(190,174)	(159,962)
		<b>222,919</b>	<b>217,034</b>

10.1 These carry mark-up at the rate ranging from 11.18% to 30.00% per annum (June 2023: from 11.18% to 30.00% per annum). These are secured against registered charge over different assets of customers, pledge / hypothecation of stocks and collateral in certain cases.

10.2 These represent finance given under vehicle financing scheme. These finances are repayable within a period of three to four years and are secured against lien on vehicles financed, demand promissory notes and personal guarantees. Profit rates for the year ranges from 17.50% to 30.68% per annum. (June 2023: from 17.50 to 29.06%). These are receivable in monthly installments.

10.3 Rs. 24.58 million was receivable in 08 unequal quarterly installments commenced from December 31, 2016 and ended on September 30, 2018, and balance amount of Rs. 47.37 million was receivable in lump sum on December 31, 2018. Mark-up amounting to Rs 36.04 million was also outstanding. It was subject to mark up at the rate of six month KIBOR plus 2% per annum. Effective markup rate charged was 9.04% per annum till maturity December 31, 2018.

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees In thousand-----	

#### 11. SHORT TERM FINANCES

Secured			
Considered good			
		214	51
Considered doubtful			
		8,133	8,133
Provision against doubtful balances		(8,133)	(8,133)
		-	-
	11.1	<b>214</b>	<b>51</b>

11.1 These are secured against registered charge over assets of the customers, pledge / hypothecation of stocks and collateral in certain cases. These carry mark-up at the rates ranging from 15.29% to 32.34% per annum (June 2023: 15.29% to 35.00% per annum).

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees In thousand-----	

#### 12. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in finance lease	8	174,260	194,291
Long term musharakah finances	9	50,197	51,686
Long term loans	10	190,174	159,962
		<b>414,631</b>	<b>405,939</b>

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees In thousand-----	

### 13. INVESTMENT IN TREASURY BILLS

Investment in treasury bills	13.1	<u>133,211</u>	<u>48,292</u>
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13.1 These carry mark-up at the rates ranging from 21.10% to 23.25% per annum (June 2023: 21.90% to 21.94% per annum), and are due to mature in January, 2024 to December, 2024 (June 2023: September, 2023).

### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at fair value through profit or loss			
Quoted securities	14.1	<u>4,436</u>	<u>14,982</u>

#### 14.1 Investments at fair value through profit or loss

Un-audited December 31, 2023	Audited June 30, 2023	Name of company	Un-audited December 31, 2023	Audited June 30, 2023
Number of shares			-----Rupees In thousand-----	
-	25,000	Hub Power Company Limited	-	1,740
-	29,000	MCB Bank Limited	-	3,320
<b>618,750</b>	618,750	The Bank of Punjab	<b>4,010</b>	2,147
-	20,000	Bank Al-Habib Limited	-	864
-	48,000	Habib Bank Limited	-	3,515
<b>15,896</b>	202,546	Askari Bank Limited	<b>393</b>	2,625
-	10,000	Netsol Technologies Limited	-	748
<b>56</b>	56	Engro Corporation Limited	<b>16</b>	15
<b>145</b>	145	Pakistan Petroleum Limited	<b>17</b>	9
<b>2,763</b>	2,763	Taj Textile Mills Limited	-	-
<u><b>637,610</b></u>	<u>956,260</u>		<u><b>4,436</b></u>	<u>14,982</u>

14.2 These investments are valued on the basis of quoted prices in active market for identical instruments (Level 1 hierarchy).

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----Rupees In thousand----	

### 15. REDEEMABLE CAPITAL

Secured			
Term finance certificates	15.1 & 15.2	<b>3,565</b>	3,565
Less: Current portion	16	<u><b>(3,565)</b></u>	<u>(3,565)</u>
		<u>-</u>	<u>-</u>
Restructured			
Term finance certificates		-	1,500
Less: Current portion		<u>-</u>	<u>(1,500)</u>
		<u>-</u>	<u>-</u>

15.1 Term finance certificates (TFCs) were issued by the Company on September 05, 2002. These were subject to markup at 5 year PIB plus 275 bps. Markup was payable semi-annually. These were matured in September 05, 2013.

15.2 As a result of Company's request to the TFC holders for restructuring / settlement of principal and markup all the TFCs have been settled. The above TFC holders are not tracable despite advertisement in the newspapers.

	<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
	----Rupees In thousand----	

#### 16. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees	<b>32,280</b>	28,455
Liability related to outgoing group	<b>3,240</b>	3,240
Deferred liability	<b>9,747</b>	9,747
Redeemable capital	<b>3,565</b>	5,065
	<b><u>48,832</u></b>	<u>46,507</u>

#### 17. CONTINGENCIES AND COMMITMENT

##### 17.1 Contingencies

There are no material contingencies existing since the date of published audited financial statements for the year ended June 30, 2023.

	<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
	----Rupees In thousand----	

##### 17.2 Commitment

Under lease financing contracts committed but not executed	<b><u>14,931</u></b>	<u>21,600</u>
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## 18. SEGMENT INFORMATION

	December 2023 ( Un-audited )				December 2022 ( Un-audited )			
	Investment / financing activities	Leasing activities	Other operations	Total	Investment / financing activities	Leasing activities	Other operations	Total
	----- Rupees in thousand -----				----- Rupees in thousand -----			
Information about reportable segment profit or loss, assets and liabilities								
Revenue from external customers	62,466	11,693	10,964	85,123	27,177	19,259	3,964	50,400
Interest (reversal) / expense - net	(2)	-	-	(2)	(5,154)	(3,652)	-	(8,806)
Depreciation and amortization	2,260	423	-	2,683	1,615	1,145	-	2,760
Provision reversed / (charged) / Impairment of assets	118	1,050	-	1,168	7,165	566	-	7,731
Reportable segment profit	64,842	13,166	10,964	88,972	30,803	17,318	3,964	52,085
Reportable segment assets	928,628	247,069	-	1,175,697	759,537	390,568	-	1,150,105
Reportable segment liabilities	(545,011)	(174)	-	(545,185)	(489,132)	(151,350)	-	(640,482)

	Un-audited December	
	31, 2023 ....Rupees in thousands...	31, 2022 ....Rupees in thousands...
<b>Reconciliation of profit</b>		
Total profit from reportable segments	78,008	48,121
Profit from other operations	10,964	3,964
	88,972	52,085
Unallocated amounts:		
Other administrative and operating expenses	(21,498)	(19,026)
Other income	2,471	3,810
Profit before tax	69,945	36,869
<b>Reconciliation of assets and liabilities</b>		
<b>Assets</b>		
Total assets of reportable segments	1,175,697	1,150,105
<b>Liabilities</b>		
Total liabilities of reportable segments	(545,185)	(640,482)

## 19. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 26, 2024 by the Board of Directors of the Company.

## 20. GENERAL

20.1 Figures have been rounded off to the nearest thousand of Rupees except earning per share which is in Rupees.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Muhammad Ikram**  
Chief Financial Officer



**INVEST CAPITAL INVESTMENT BANK LIMITED**

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